

ST. LOUIS POST-DISPATCH

Thurs., June 23, 1983

Donovan Cites Need To Boost Labor Ties



Raymond J. Donovan

"A heavy price for failure"

Citing an erosion of U.S. competitiveness in the international marketplace, Labor Secretary Raymond J. Donovan has called for a new cooperative approach to labor-management relations.

Donovan's suggestion is contained in a speech prepared for delivery today to participants at a White House Conference on Productivity. The conference is being held at St. Louis University.

Donovan is the second high-ranking administration official to address the gathering. On Wednesday, Education Secretary Terrel H. Bell said at the conference that increased productivity must go hand-in-hand with improvements in the nation's education system.

Donovan said that despite a recent upturn in the economy, the times "cry out for change."

"The country demands, more than ever before, leaders from all walks of life who have the foresight and courage to give up the time-worn practices of the past in favor of new policies, new strategies and above all, new relationships," he said.

Donovan asked the participants of the conference to examine ways that business, labor, government and schools could stimulate cooperative labor-management initiatives and tailor them to meet the economic and social challenges in the coming decades.

The most serious challenge, he said, comes from the worsening position of the United States in international markets. He said the U.S. competitive position was eroding as other nations excelled in productive efficiency and quality.

"The undeniable fact is that we are not meeting the competition, and we are paying a heavy price for our failure," Donovan said.

He also said that American workers were now placing increased demands on their jobs. Such demands go beyond traditional concerns of higher wages

and better benefits to include how the job is done, how the workplace is structured and how decisions are made.

"Clearly, times and conditions are changing, and our labor relations philosophy must keep pace with those changes," he said. "Too many of our perceptions about the relationship between labor and management are still rooted in a bygone era that will never return."

"Clinging to a collective bargaining relationship that was forged a half century ago — regardless of how well it has served us — can only be a prescription for mutual disaster, not mutual survival."

Improved labor-management cooperation could result in improved product quality, reduced costs, fewer disruptions and a better quality of life for employees, he asserted. He said studies have shown that when a company promotes cooperative efforts, its workers usually have responded by showing greater loyalty to the firm and pride in its products.

The number of companies that have adopted such an approach is small, but growing, Donovan said. Central to such joint efforts is a desire to enlist the talents and energies of employees in as many workplace decisions as possible, he said.

Donovan said he also was concerned about the rapid pace of change in the American economy and its labor markets. As a result, he said, workers have to be prepared to retrain themselves and learn new skills as they move through their careers.